

# Wastewater Treatment Division Productivity Initiative Annual Report 2005



King County Department of  
Natural Resources and Parks

October 2006



King County Department of Natural Resources and Parks  
**Wastewater Treatment Division**  
201 S. Jackson St.  
KSC-NR-0501  
Seattle, WA 98104-3856  
206-684-1280  
<http://dnr.metrokc.gov/wtd/>

*Additional copies available from Susan Lowe, 206-684-1161.*

**Alternate Formats Available**

**206-684-1280**

**TTY Relay: 711**

*Pictured on front cover: 2005 Productivity Incentive Fund Committee Members  
From left, back row: Diane McElhany, Brian Duncan, Edie Lackland, Lorraine Patterson, Cynthia Hickey, Mark Lucas.  
Front row: Leon Maday, Kat Hallberg, Jean Robb, Curtis Steinke, Peggy Rice, Jim Laremore.  
Not pictured: Jim Pitts, Laurie Slaughter, Richard Meeks.*

## Productivity Initiative Pilot Program Annual Report 2005

October 2006

The Honorable Ron Sims  
King County Executive

Dear Executive Sims:

Wastewater program employees generated their second-highest productivity results during 2005, the fifth year of the Productivity Initiative Pilot Program. The results marked the fourth time in the past five years of the 10-year program that employees achieved an established productivity target for the operating program and earned a financial incentive for their work.

Even more impressively, the results achieved in 2005, the fifth year of consecutively lowered annual productivity targets, rivaled those achieved in the first year of the program.

Pilot Program participants added more than \$9.5 million to the money the Pilot Program has saved ratepayers since 2001, bringing the total to more than \$33 million. Employees have received cash payouts totaling about \$4,137 per participant since the program's inception, as well as added funds to an Incentive Fund that is used for employee recognition and other employee-driven purposes.

**Mid-Course Corrective Actions.** The success achieved in 2005 is especially heartening after the challenges faced by the program in 2004. In 2004, program expenses were higher than the target, and as a result employees were ineligible to participate in the financial incentive aspect of the Pilot Program.

With the 2004 results in mind, the program took both short- and long-term steps to help align expenses with the target for 2005 and beyond, including the following.

- In mid-2005, managers and employees were asked to temporarily delay hiring, postpone any overtime on nonemergency projects, curtail certain kinds of training, and take other temporary steps until the program had a better assessment of its progress in achieving the 2005 target.
- A Technical Review Committee, comprised of employees identified by their respective labor organizations, was formed to make recommendations for streamlining and improving the methodology used to calculate target adjustments and measurement parameters.

- The division's Management Team, with the help of the Technical Review Committee, developed a clear procedure for identifying work added to the program since the baseline target was established (2000).
- The division began submitting monthly updates to the county Budget Office to ensure its plan for meeting short-term productivity targets was on track.
- The division undertook a business planning effort that included reviewing other agencies' practices and soliciting ideas from employees, and culminated in hiring an outside consultant to provide operating program staffing plans and other recommendations for 2007 to 2010.

This report includes details on these and other efforts that helped secure success in 2005 and which are expected to align the program to meet its productivity targets for 2006, 2007, and beyond.

**2005 Productivity Operating Results.** The unadjusted 2005 productivity target was \$64,394,842. After adjustments were applied, the adjusted target equaled \$67,982,193. Actual expenditures in 2005 were \$65,233,984, leaving an underexpenditure of \$2,748,209.

An employee-driven Incentive Fund Committee identifies savings and makes recommendations for disbursement of the employees' share of the Incentive Fund. Of the 2005 underexpenditure, the Incentive Fund Committee identified \$1,679,716 as resulting from salary savings and other actions taken by employees. Department of Natural Resources and Parks budget staff and the King County Office of Management and Budget approved a final documented savings for 2005 of \$1,445,306.

Under the Pilot Program provisions, the approved savings are shared equally between ratepayers and employees. (The Division Director and Deputy Division Director are not eligible for any financial distributions from the Productivity Incentive Fund because of their role in making the final division-level decisions on the program.) The Incentive Fund Committee recommended diverting \$50,000 of the employees' share of the Incentive Fund to a "Rainy Day Fund" for use during any future years in which the target is not met, and distributing the remainder in the form of a cash payout. Employees earning a "full share" received a cash payout of \$943.08.

**Progress on Capital Program Pilot Projects.** Legislation approved by the Executive and Council in 2004 approved implementation of three pilot projects in the wastewater capital program: major capital projects; asset management; and small in-house capital construction projects. An update on progress of these three pilot projects is included in this report.

**Ongoing Refinements.** The journey that began with the first year of the Pilot Program has been a learning process for everyone, and each year of experience

has prepared us to be more streamlined, more efficient, and more creative in meeting the next years' challenges.

The wastewater program's labor organizations (AFL-CIO Local 117, SEIU Local 925, TEA, WSCCCE Council 2 Local 1652R, and IFPTE Local 17) have been critical players in both the development and implementation of the Pilot Program. Management and labor continue to meet as a Productivity Mediation Group, with the objective of finding areas of commonality that will enable our employees to work more efficiently and creatively while also respecting the labor agreements negotiated with the labor organizations.

In an effort to "learn from the best," the program has extended its reach to benchmarking partners and wastewater organizations of similar size and scope elsewhere in the U.S. We expect the work of the consultant hired to assist in business planning to yield additional recommendations for efficiencies, based on comparisons with other well-run organizations industrywide.

The program is also taking full advantage of the expertise that exists among its own employees. The Technical Review Committee has developed a work program that includes a systematic review and analysis of the target adjustment process and how savings are documented and calculated.

The final success of the program will depend, as it has in the past, on the efforts of individual wastewater program employees. With the results earned in 2005, wastewater program employees have demonstrated that they are motivated to be recognized and rewarded for outstanding performance that also benefits our ratepayers and makes our entire organization function more smoothly.

I'm appreciative of the ongoing support of our elected officials, labor organizations, Department of Natural Resources and Parks management, King County Office of Management and Budget, and our talented and committed employees in making this program a success.

Sincerely,



Don Theiler  
Division Director

cc: King County Councilmembers  
Bob Cowan, Director, Office of Management and Budget  
Pam Bissonnette, Director, DNRP  
Bob Burns, Deputy Director, DNRP  
Lorraine Patterson, Assistant Director, WTD  
WTD Productivity Initiative Participants

## Table of Contents

Wastewater Treatment Division Vision, Mission, and Goals .....	6
2005 Balanced Scorecard Results .....	8
Decision-Making Process for Setting and Monitoring Targets .....	11
Decision-Making Process for Making C-7* Adjustments to Targets .....	12
Decision-Making Process for Approving Productivity Savings .....	13
2005 Operating Program: Financial Results .....	14
Results Summary .....	14
Planned Savings .....	14
Short-Term Salary Savings .....	14
Short-Term Salary Savings Process .....	15
Exhibit A: Programwide Short-Term Salary Savings .....	16
Exhibit B: East Section Short-Term Salary Savings .....	17
Exhibit C: West Section Short-Term Salary Savings .....	18
Savings Resulting from Employee Actions .....	19
Target and Adjustments .....	21
Internal (WTD) Process for Determining New Work .....	23
Capital Program: Pilot Programs .....	24
Major Capital Projects .....	24
Asset Management .....	25
Small In-House Capital Construction Projects .....	26
Incentive Fund Committee .....	27
Purpose and Charter .....	27
2005 Recommendation .....	28
Incentive Fund Financial Status .....	29
Technical Review Committee .....	30
Purpose and Charter .....	30
2005 Activities .....	31
2005 Incentive Fund Results .....	33
2001-2005 Comparison of Productivity Initiative Results .....	34
2001-2005 Total Ratepayer Savings .....	35
2001-2005 Productivity Incentive Fund Activity .....	36
Outlook for 2006 and Beyond .....	37
List of Appendices .....	39
Appendix 1: Salary Savings Worksheet .....	40
Appendix 2: Mid-Program Assessment Report .....	41
Appendix 3: 2005 Incentive Fund Eligibility Guidelines .....	52
Acknowledgements .....	56

### **Wastewater Treatment Division Vision, Mission, and Goals**

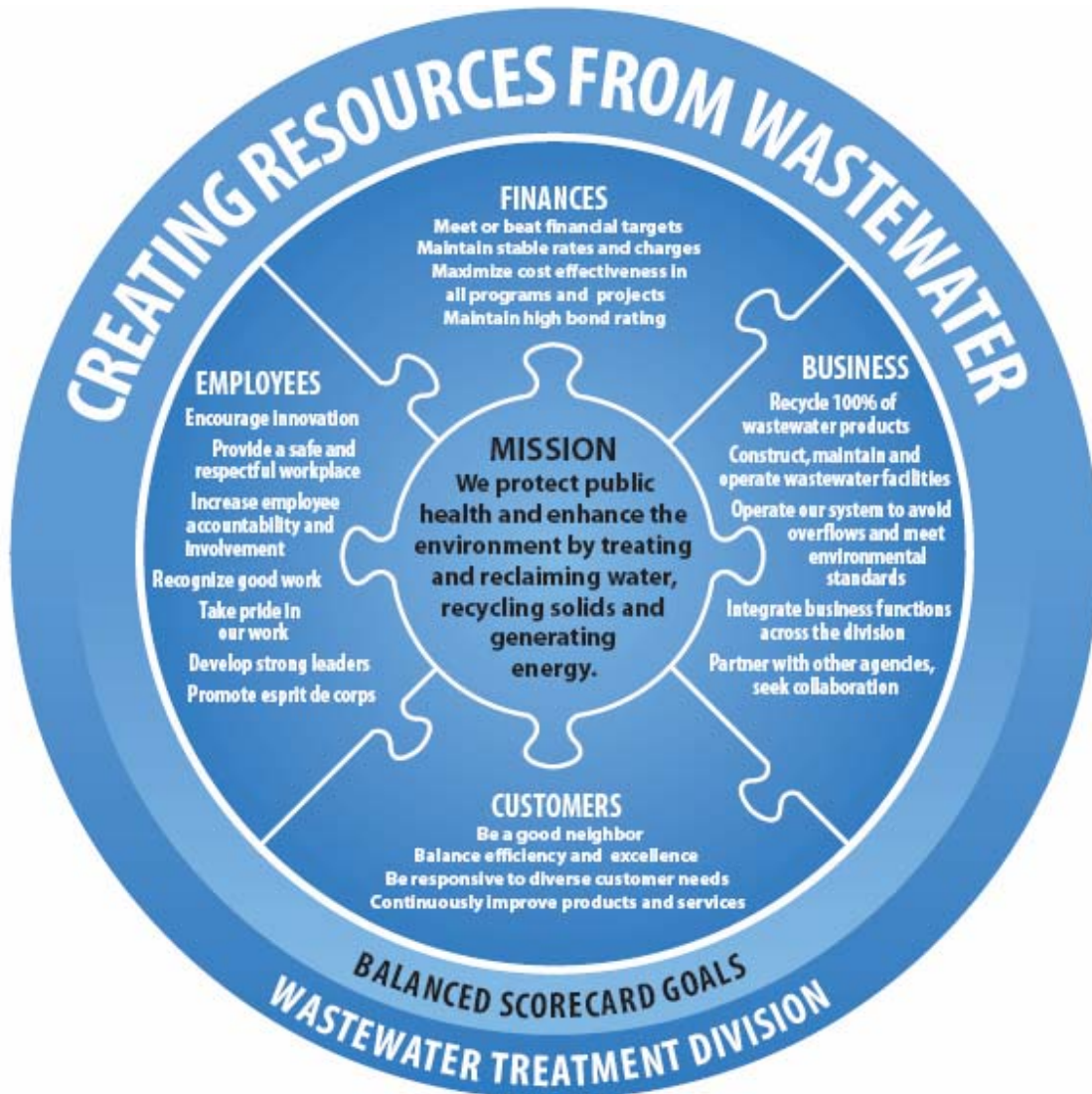
In 2005, the division conducted interviews with employees about practices that inhibit or support collaborative relationships between labor and management. Many employees said they wanted clear goals and a better understanding of where the division is heading in the future.

A subgroup of WTD's Management Team members began a process to update the vision statement with the help of employee focus groups. The goal was to reflect what employees were expressing and also create a vision, mission, and goals that would clearly communicate WTD's direction to all its stakeholder groups.

The result of this process, *Creating Resources from Wastewater*, was presented to and endorsed by the Department of Natural Resources and Parks management and the County Executive in early 2006. The new vision reflects the goals of the Productivity Initiative Pilot Program and integrates well with the division's Balanced Scorecard performance measurement tool.

King County has been recycling, reusing, and reclaiming the wastewater it treats for some time, but this new vision statement clearly expresses the division's intention to transform the water it treats, including its byproducts, into a form beneficial for the environment and the community.





## 2005 Balanced Scorecard Results

In 2000 when the Productivity Initiative was launched, the wastewater program developed a Balanced Scorecard as the primary measurement tool by which to gauge the initiative's success in achieving its goals. Balanced scorecards were developed in the 1990s as tools for businesses and organizations to define performance beyond just financial measurements by providing feedback on performance from multiple perspectives.

Traditionally, performance measurements focused narrowly on the financial success of an organization. The co-authors of the Balanced Scorecard, Harvard Business School professors Drs. Robert Kaplan and David Norton, state that:

*Financial measures tell the story of past events, an adequate story for industrial age companies for which investments in long-term capabilities and customer relationships were not critical for success. These financial measures are inadequate, however, for guiding and evaluating the journey that information-age companies must make to create future value through investment in customers, suppliers, employees, processes, technology, and innovation.*

The Wastewater Treatment Program's Balanced Scorecard, in keeping with the concept developed by Kaplan and Norton, consists of performance measurements in four quadrants:

- Key Internal Processes
- Financial Parameters
- People Management
- Customer Focus

Working closely with labor and employee committees, the program established performance measurements within each of the four quadrants. The Balanced Scorecard allows the wastewater program to focus on measurable goals and uses its feedback to continuously improve performance and achieve its goals. In 2003, key wastewater staff received training on entering and displaying Balanced Scorecard data using specialized software (pbViews®).

Performance in the Balanced Scorecard is rated **green**, **yellow**, or **red**.

- **Green** indicates that the target was satisfactorily met. A **green** rating is only achieved when performance is at 100 percent of the target.
- **Yellow** indicates that performance was near target. "Near" is defined differently for different measures depending on the criticality of meeting the target or other factors unique to the measure. For those measures that are based on ratings of 1-5 and where the target is 4, results are rated **yellow** when the results are 3.25 up to 3.99.

- **Red** indicates performance has fallen below an established threshold, and that the poor performance is of a critical nature in need of attention. Again, the threshold is set differently for different measures, depending on the criticality of the measure and other factors. For measures that are based on ratings of 1-5 and where the target is 4, results are rated **red** when they are rated below 3.25.

In 2005, the overall performance for WTD was rated **green**, meaning that for most measures in the Balanced Scorecard, the division met its targets. Two of the four quadrants of the Balanced Scorecard, Key Internal Processes and Financial Parameters, were rated **green** and the other two, People Management and Customer Focus, had an overall rating of **yellow**, meaning performance fell within the range of “near” established for those targets.

One individual measure in 2005 was rated **red**, warranting further attention to improve performance in the future. This measure, in the Customer Focus quadrant, looks at how component agencies view the quality of their contract services with WTD and how they rate the overall value of services they receive from WTD. The lower rating in 2005 may be due to contract negotiations in progress. The rating is expected to rise once the contract issues are resolved.

A summary of the 2005 Balanced Scorecard results follows. The full text is available at <http://dnr-web.metrokc.gov/wtd/Manager/Productivity/BS/index.htm>.

**Balanced Scorecard**  
**WTD Balanced Scorecard Report**  
**2005**

Measure	2005 Target	2005 Actual	2004 Actual*
<b>Financial Performance</b>			
Operating cost per lb of BOD & TSS removed (not to exceed target)	\$0.3119	\$0.3083	0.3037**
Contribution to Productivity Incentive Fund	<\$0	\$722,653	\$0
Productivity Operating Budget (not to exceed target)	\$67,672,671	\$65,233,984	\$65,697,769***
Total Debt Service Coverage	1.15	1.22	1.30
<b>Key Internal Processes</b>			
NPDES Compliance	100%	100%	100%
% Reporting Compliance	100%	99.48%	99.45%
% Air Compliance	100%	100%	99.49%
# Marine Sediment Sites Meeting State Quality Standards	7	7	7
# Wet Weather Sanitary Sewer Overflows (not to exceed target)	0	0	0
# of Avoidable Sanitary Sewer Overflows (not to exceed target)	7	5	6
CSOs Volume as % of Total Flow (not to exceed target)	3.00%	1.40%	2.00%
% Biogas Recycled at Wastewater Treatment Facilities	75%	75%	76%
% Biosolids Recycled	100%	100%	100%
Reclaimed Water (million gallons)	260.00	264.60	268.07
Safety - # Lost Time Accidents (not to exceed target)	22	18	20
Safety - Employee Satisfaction with Workplace Safety (rating of 1-5)	4	3.87	3.88
% of BOD/COD NPDES Limit (not to exceed target)	80.00%	41.01%	42.18%
Fecal Coliform Annual Geometric Mean effluent (not to exceed target)	175	18	21
Total Suspended Solids mg/L effluent (not to exceed target)	24 mg/L	13.8 mg/L	16.6 mg/L
<b>Customer Focus</b>			
Component Agency Response to Survey	90%	85%	29%
Quality of Contract Svc Rated by Local Sewer Agencies (rating of 1-5)	4	3.38	4.66
Value of Service as Rated by Local Sewer Agencies (rating of 1-5)	4	3.07	3.25
Customer Service Satisfaction by Local Sewer Agencies (rating of 1-5)	4	3.76	4.25
Resident Good Neighbor Survey	75%	68%	68%
Business Good Neighbor Survey	75%	60%	62%
<b>People Management</b>			
Overall Satisfaction with Jobs (rating of 1-5)	4	3.76	3.72
Employee Retention	91%	95.6%	94.7%
Employee Rating of Innovation (rating of 1-5)	4	3.85	3.74
Employee Satis w/Supervisor Communication and Support (rating of 1-5)	4	3.62	3.60
Satisfaction w/ Leadership and Management (rating of 1-5)	4	3.40	3.27
Spirit of Teamwork	4	3.90	3.84
Satisfaction w/ Participation in Decision Making (rating of 1-5)	4	3.94	3.80
Hours of Training per Employee	50	45.17	48.39
Satisfaction w/ Training and Development (rating of 1-5)	4	3.30	3.32

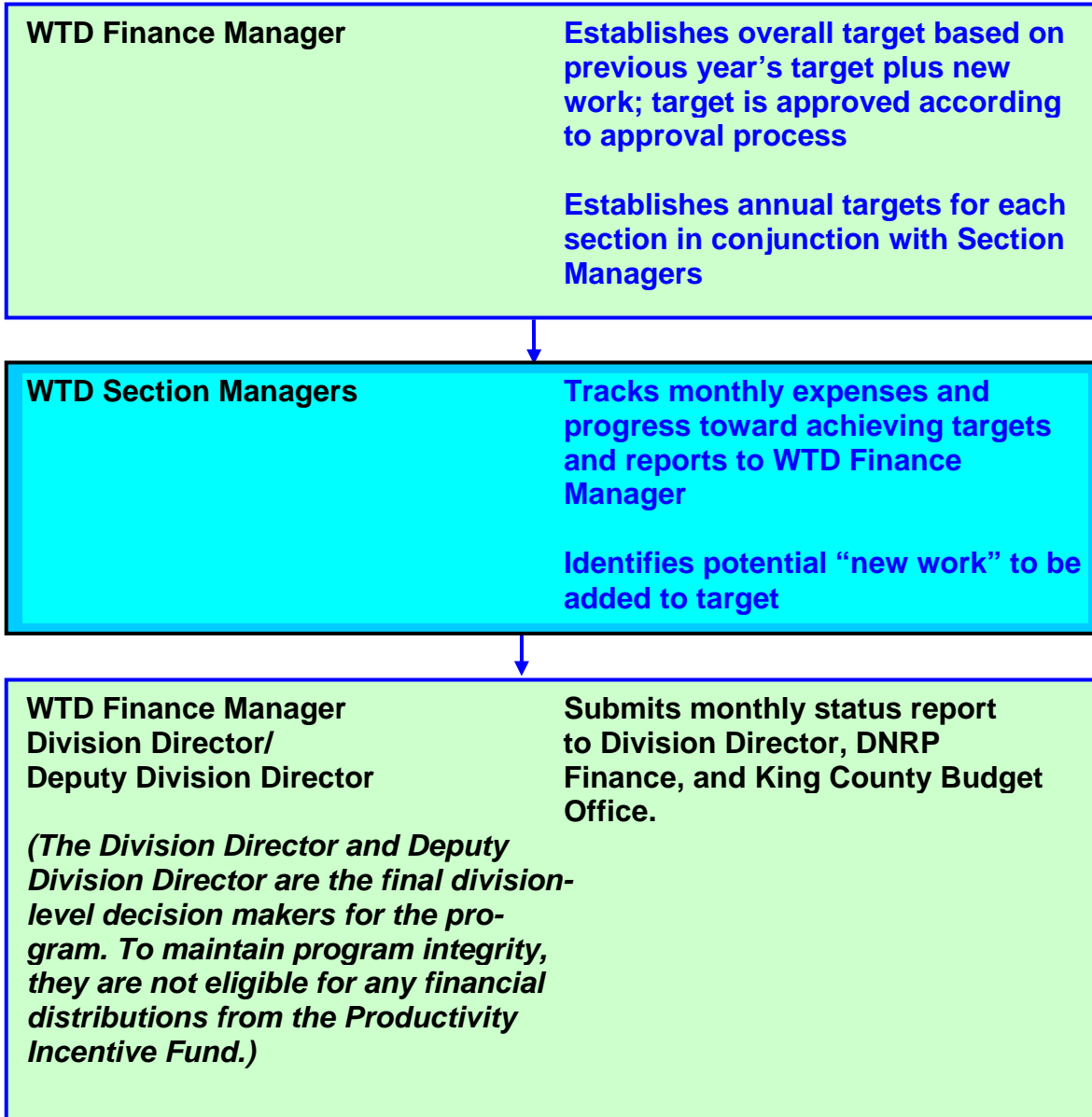
LEGEND	
	Met Target
	Near Target****
	Needs Attention****

\*Compared to 2004 targets.

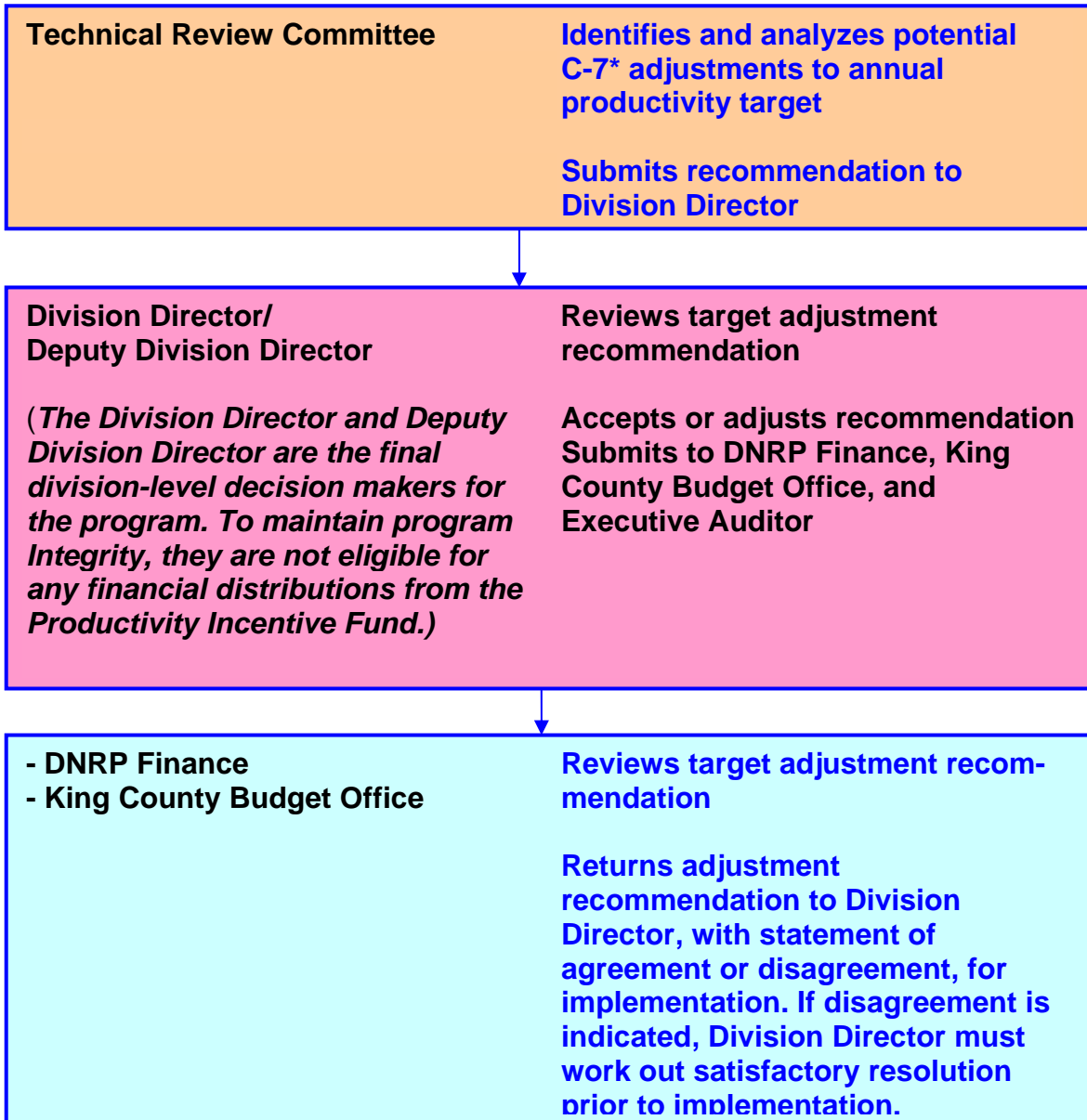
\*\*The 2004 target for cost/lb. of BOD and TSS removed was \$0.2907. \*\*\*The 2004 Productivity Operating Budget target was \$65,104,066.

\*\*\*\*For measures rated 1-5, a score of 3.25-3.99 is rated yellow and below 3.25 is rated red.

### Decision-Making Process for Setting and Monitoring Targets

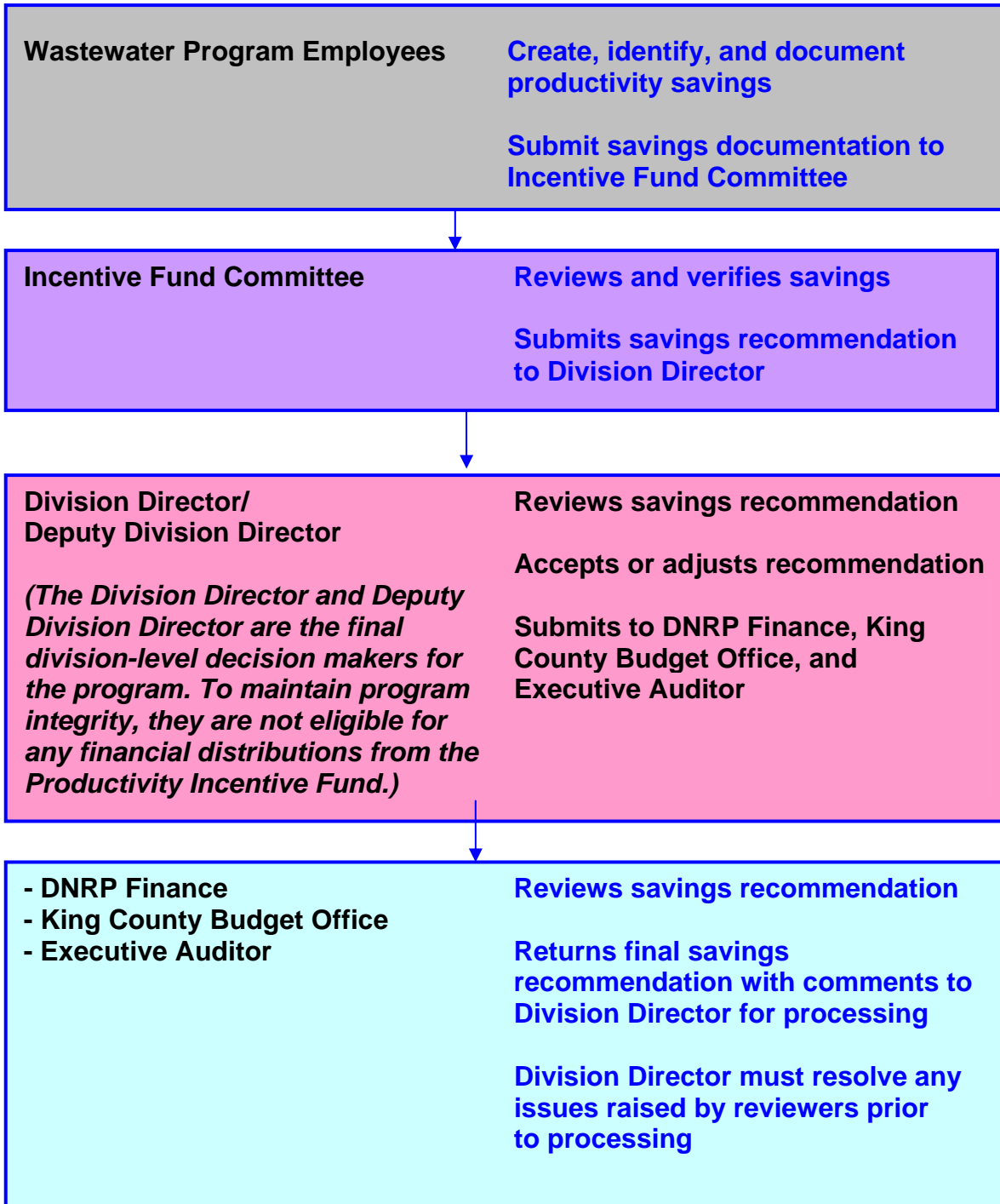


### Decision-Making Process for Making C-7\* Adjustments to Targets



\*C-7 refers to Attachment C-7 of the Productivity Initiative Pilot Plan legislation that details guidance for making adjustments to annual targets.

### Decision-Making Process for Approving Productivity Savings





## 2005 Operating Program: Financial Results

### Results Summary

Target	\$64,394,842
Adjusted target	\$67,982,193
Actual expenditures	\$65,233,984
Underexpenditure	\$2,748,209
Approved savings for Incentive Fund	\$1,445,306
Employee share (50%)	\$722,653
Ratepayer share (50%)	\$722,653

### Planned Savings

Under the Pilot Program Plan, 2005 was the last year that new items were to be added to the planned savings. There were three new savings plans initiated in 2005. The total reductions for these new items, plus the originally planned actions for 2005, totaled \$8.78 million, which was slightly more than the \$8.64 million in the original calculation.

The three new items were:

- Absorb operating Productivity Initiative analyst functions into the Finance and Administration Section (\$114,714)
- A reduction of 1.5 FTEs in the Industrial Waste Program (\$108,696)
- Eliminate TLT position in the WTD Director's Office (\$46,516)

### Short-Term Salary Savings

Short-term salary savings are an important mechanism to reduce costs and spend less than the financial target established for each year. Each section manager and budget analyst provided data on salary savings for their respective section, using a standard worksheet. The Incentive Fund Committee discussed and evaluated each submittal. The process used by the Incentive Fund Committee is outlined on the following page. The results are summarized in three exhibits:

- Exhibit A: 2005 Programwide Short-Term Salary Savings
- Exhibit B: 2005 East Section Short-Term Salary Savings (detailed)
- Exhibit C: 2005 West Section Short-Term Salary Savings (detailed)



### **Short-Term Salary Savings Process**

In 2005, existing staff accomplished the work assigned to them from vacated position(s) by using a combination of short-term and temporary strategies, including:

- Accepting additional assignments.
- Deferring essential but non-urgent activities such as training, employee and career development, long-range work planning, administrative and housekeeping tasks, technology assessments and upgrades, etc.
- Creating short-term cross-training opportunities to take advantage of internal resources.
- Delaying vacations and other leaves of absence.
- Increasing the number of employees assigned to a supervisor.
- Working extra hours at no additional compensation by exempt employees (other than the discretionary award of Executive Leave).

For short periods of time, productivity participants elected to accept the strategies outlined above in exchange for potential rewards through the productivity program. However, unless otherwise noted, the circumstances created by these temporary measures are not sustainable long-term.

In the case of wastewater operators, particularly at the West Point Treatment Plant, the 2005 vacancy rate continued to be higher than optimal for operating the plant. This vacancy rate has been sustained for a period of years, due to circumstances such as a decreasing number of applicants, higher housing costs in the vicinity, an aging workforce, and losing senior employees to retirement and South Plant. Some progress in rectifying this situation is being made. For example, the agency reduced the number of vacancies at West Point from 15 in 2004 to eight in 2005. However, in 2005 the wastewater program still faced the need to staff the plant at less than optimal levels.

Worksheets, included in this report as Appendix 1, were used to detail the work normally assigned to a person in a position that was vacant for all or part of 2005. Short-term salary savings were obtained by having the work normally assigned to a vacated position directed to others in the unit, including co-workers, leads, and supervisors. Costs incurred for overtime, temporary workers, or contract labor were noted on the worksheet and deducted from the savings being claimed.

To prepare these worksheets, supervisors and section managers used data from past years to assist them in determining what percentage of a vacant position's workload was accomplished by using the strategies outlined above. In a few unusual circumstances, it is their judgment that 100 percent of the work was accomplished. More commonly, supervisors and managers have established that from 15 to 90 percent of a vacated position's workload was accomplished, and are recommending savings be calculated accordingly.

**Exhibit A: Programwide Short-Term Salary Savings**

East	East compiled (see spreadsheet)	\$281,034
EL	Custodian	\$49,341
EL	Lab Asst II	\$5,032
EL	Env Lab Scientist I	\$4,333
EL	Sr. Systems Engineer	\$7,295
EL	Env Lab Supervisor	\$53,308
F & A	Admin Staff Assistant	\$14,250
F & A	Emp/Labor Relations Rep	\$13,834
F & A	Sr. Human Resources Analyst	\$9,547
F & A	Project/Program Mngr II	\$26,638
F & A	Sr. Lan Administrator	\$17,819
F & A	Comm Specialist III	\$21,824
F & A	Sr. Lan Administrator	\$4,120
Dir	WTD Assistant Div Director	\$20,992
Dir	Special Project Mngr I	\$6,429
P & C	WQ Planner II	\$17,178
West	West compiled (see spreadsheet)	\$210,178
<b>Final approved salary savings</b>		<b>\$763,151</b>

EL Environmental Lab  
 F&A Finance and Administration Section  
 Dir Director's Office  
 P&C Planning and Compliance Section

**Exhibit B: East Section Short-Term Salary Savings**

<b>FTE</b>	<b>Adj Savings</b>	<b>Percent Claimed</b>	<b>Dollar Savings</b>
No replacement for employee on JI	12,047	80	9,638
No replacement for employee on JI	16,683	80	13,346
Utility Worker (.5) (covers 4 summer hires)	2,310	90	2,079
Utility Worker	22,796	90	20,516
Operator cut/sent to Day Ops/2nd PS	55,843	100	55,843
WW Process Engineer II (Op Only)	42,764	15	6,415
Proc Analyst III	51,981	50	25,991
Sr. Operator Vacancy	69,393	65	45,105
Sr. Operator Vacancy	47,049	70	32,934
No replacement for employee on JI	56,250	50	28,125
Instrument Technician Vacancy	82,082	50	41,041
<b>TOTAL</b>			<b>\$281,034</b>

**Exhibit C: West Section Short-Term Salary Savings**

<b>Job Class/Title</b>	<b>Adj. Svgs from Worksheets</b>	<b>%</b>	
Ind. Engine Mechanic**	\$ 76,260		
<i>sub total</i>	<i>\$ 76,260</i>	<i>10%</i>	<i>\$ 7,626</i>
Ind. Instrument Tech	\$ 30,708		
Ind. Instrument Tech	\$ 14,211		
Ind. Instrument Tech	\$ 15,790		
<i>sub total</i>	<i>\$ 60,709</i>	<i>50%</i>	<i>\$ 30,355</i>
Ind. Maint. Mechanic**	\$ 46,383		
Ind. Maint. Mechanic**	\$ 63,023		
<i>sub total</i>	<i>\$ 109,406</i>	<i>20%</i>	<i>\$ 21,881</i>
Inv. Purchasing Specialist	\$ 8,274		
Inv. Purchasing Specialist	\$ 22,212		
<i>sub total</i>	<i>\$ 30,486</i>	<i>50%</i>	<i>\$ 15,243</i>
Wastewater Support Specialist	\$ 27,028		
<i>sub total</i>	<i>\$ 27,028</i>	<i>90%</i>	<i>\$ 24,325</i>
Operator Series**	\$ 37,873		
Operator Series**	\$ 51,921		
Operator Series**Loaned to Finance	\$ 51,921		
Operator Series**	\$ 47,630		
Operator Series**	\$ 81,358		
Operator SeriesSWAP old 0183	\$ 51,921		
Operator SeriesSWAP old 0239	\$ 51,921		
Operator Series	\$ 15,410		
Operator Series	\$ 9,198		
<i>sub total</i>	<i>\$ 399,153</i>	<i>25%</i>	<i>\$ 99,788</i>
Process Analyst	\$ 21,920		
<i>sub total</i>	<i>\$ 21,920</i>	<i>50%</i>	<i>\$ 10,960</i>
Section Manager	\$0.00		
<i>sub total</i>	<i>\$0.00</i>	<i>0%</i>	<i>\$0</i>
WWT Supervisor	\$0.00		
WWT Supervisor	\$ 5,892		
WWT Supervisor	\$ 11,783		
<i>sub total***</i>	<i>\$ 17,675</i>	<i>0%</i>	<i>\$0</i>
<b>Totals</b>	<b>\$ 666,377</b>		<b>\$210,178</b>

\*\*These highlighted positions had been advertised, applicants interviewed, and offers were ready to be made when the Sections were asked to hold off on all hiring from mid-May thru mid-November 2005.

\*\*\*Will not take credit for these savings due to one Supervisor being on paid Administrative Leave for 4.5 months. The Offsite Supervisor did fill in on the Day Operations crew but we rotated upgrading Sr. Operators to fill in on the Offsite.

### Savings Resulting from Employee Actions

Action Taken	Verified Final Savings	Comments
Actuator Repair	\$932	
DAFT operation	\$47,300	
EMS audit	\$20,000	
Vashon testing	\$2,639	
Grit recycling	\$146,774	
Parts cataloging	\$0	
TBST Mixers	\$21,509	
Valve replacement	\$14,564	
Lighting controls	\$23,303	
Internal trainers	\$7,310	
Monitoring reduction	\$9,072	
Eliminating Biosolids Field Audits	\$9,220	
Weed cloth application	\$1,219	
Vashon Dewatering	\$7,059	
Work site location	\$5,207	
HW disposal	\$500	
Interurban PS repair	\$22,356	
Hypo system modifications	\$102,717	
Ruler purchase	\$1,341	
Lubricant change	\$1,569	
Crane Repair Program	\$12,562	
Haz Waste Mat program	\$14,750	
One Call Program	\$19,584	
Sewer Cleaning Program	\$3,840	
H2S Inspection	\$14,208	
TV Inspection	\$10,419	
Waste Oil recycling	\$180	1,300 for future savings
Sales Tax Exemption for Polymer	\$104,346	Ongoing savings from WP
5th Floor Paper Purchase	\$4,641	Ongoing savings
Chlorine Valve Rebuild	\$17,264	Ongoing savings from WP
Dechlorination System Chemicals	\$10,417	Ongoing savings from WP
Mixed liquor blower	\$65,925	Ongoing savings from WP
Digester gas blower	\$36,707	Ongoing savings from SP
Sales Tax Exemption for Polymer	\$129,690	Ongoing savings from SP
Digester cleaning	\$27,927	Ongoing savings from SP

Wastewater Treatment Division  
 Productivity Initiative Annual Report  
 October 2006

Offset/Adjustment		-\$487	Off set for Business and Occupation Sales Tax from the sale of Biosolids
<b>Total</b>		<b>\$916,565</b>	
<b>Operating Salary/Benefit Savings</b>	<b>Overall Savings</b>	<b>Qualified Savings</b>	
Director's Office	\$113,633	\$27,421	
Finance and Administration	\$216,458	\$108,032	
East Operations	\$459,198	\$281,034	
West Operations	\$666,377	\$210,178	
Planning and Compliance	\$34,356	\$17,178	
Asset Management	\$0	\$0	No operating funded vacancies in 2005
Major Capital	\$0	\$0	No operating funded vacancies in 2005
Environmental Lab	\$162,710	\$119,309	
<b>Total</b>	<b>\$1,652,732</b>	<b>\$763,152</b>	
Total Submitted 2005 Productivity Savings		\$1,679,716	Subject to approval by King County Office of Management and Budget
<b>Final 2005 Productivity Savings (approved)</b>		<b>\$1,445,306</b>	The majority of the difference was due to the refund of sales tax paid on polymer not being approved by the King County Office of Management and Budget.

### **Target and Adjustments**

*2005 Results.* The unadjusted 2005 productivity target was \$64,394,842. After adjustments were applied, the adjusted target equaled \$67,982,193. Actual expenditures in 2005 were \$65,233,984, leaving an underexpenditure of \$2,748,209. Of this, \$1,445,306 was identified and verified as savings resulting from salary savings and other actions taken by employees. In accordance with the Pilot Plan, this savings was shared equally by ratepayers (\$722,653) and employees (\$722,653).

*Background on Annual Targets.* The annual targets for the Productivity Initiative Pilot Program were established using the 2000 wastewater program budget as a baseline. HDR, Inc., the consultant that worked with the wastewater program to develop the program, recommended that the baseline budget be reduced incrementally over five years (2000 to 2005) to achieve a 15-percent reduction. This would, in the consultant's opinion, position King County favorably in terms of what a private contractor would charge to run King County's wastewater operations.

*C-7 Adjustment Process.* When the Pilot Program was developed, it was recognized that adjustments would need to be made for cost-of-living adjustments approved countywide, increased loading at the treatment plants, changes in commodity prices, and other items outside the control of the program. Those adjustments were detailed in an appendix to the Pilot Plan called Appendix C-7.

In 2005, a Technical Review Committee was formed to provide technical review and recommendations of the adjustment process. (The TRC's charter and activities are outlined later in this report.) As a result of the TRC's work in 2005, modifications were made to the C-7 process. A report transmitting those modifications was made to the County Executive in February 2006, and is included here as Appendix 2, *Mid-Program Assessment Report*.

Both unadjusted annual targets and final adjusted targets are reported in each year's Annual Report.

*Accounting for new work.* The Pilot Program Plan allowed the annual targets to be adjusted for any new work not captured in the initial development of the Pilot Program, and which was imposed on the wastewater program by directives originating from outside the program. The process includes an internal review by WTD management, concurrence from the DRNP Finance Office, and a system of tracking.

"New work" is defined as:

- work that is beyond the scope of services that was committed to in the Productivity Pilot Plan, and is

- required by changes in fiscal policy;
- required by changes in a county policy or procedure;
- required because of a change in law or new permit requirements; or
- is work directed from outside WTD or the Environmental Lab.

In addition, new work:

- is not taken on solely at the discretion of WTD or the Environmental Lab.

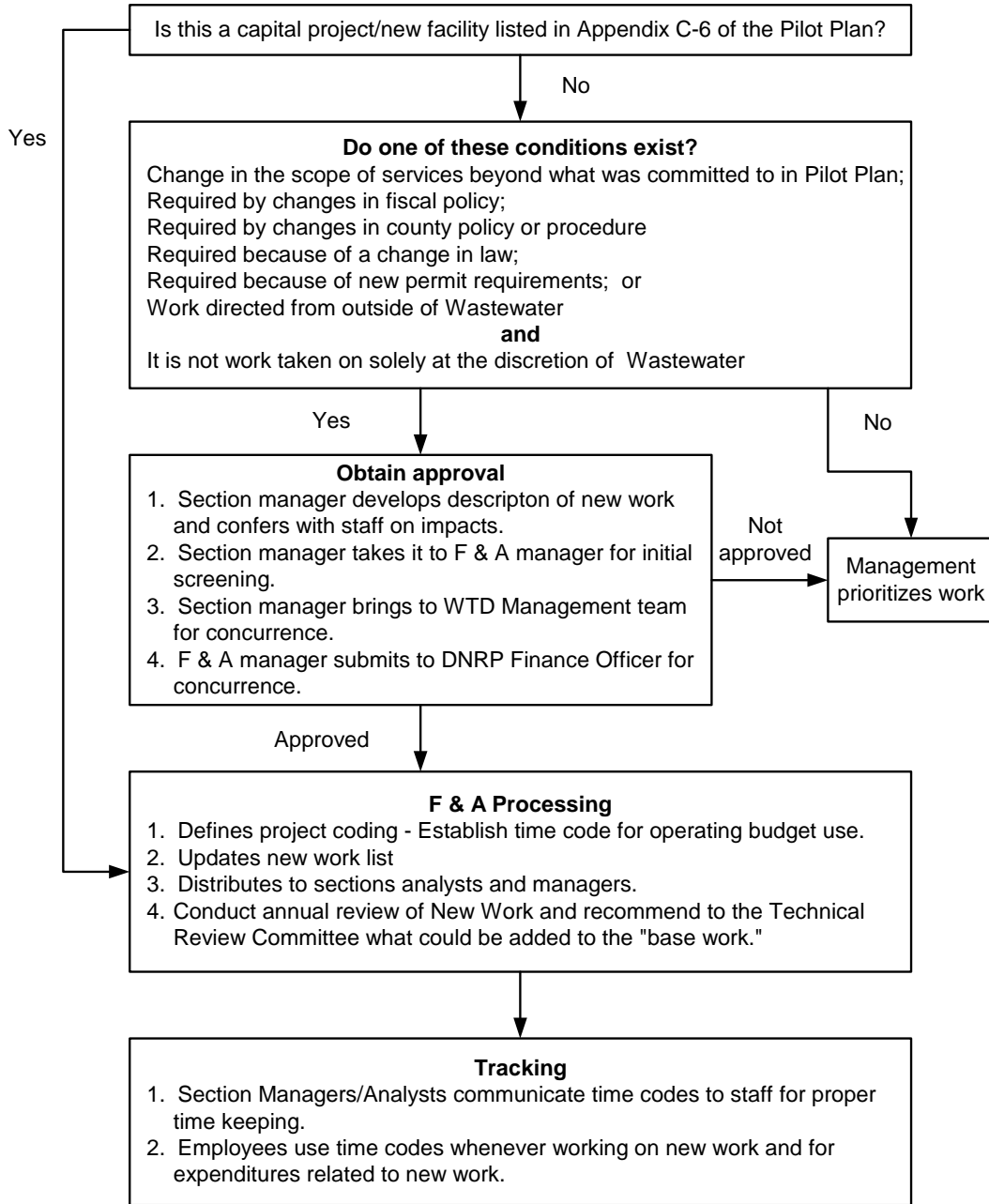
Examples of “new work” include the new Vashon and Carnation treatment plants and staffing for the Brightwater Treatment Plant.

The Pilot Plan allowed the annual targets to be adjusted for any new work not captured in the initial development of the Pilot Plan, and which was imposed on the program by directives originating from outside the program. A process was developed in 2005 to account for new work, and follows this explanation.



**Internal (WTD) Process for Determining New Work**

**Determining "New Work"**



September 19, 2005

### **Capital Program: Pilot Programs**

The Capital Productivity Pilot Program now under way is believed to be the first of its kind in the country. It is comprised of three elements intended to generate savings through the planning, design, and construction of the wastewater program's capital projects. The three elements are:

- *Major Capital Pilot Projects*, which includes setting independent third-party targets for capital projects that are greater than \$1.0 million.
- *Asset Management Pilot Project*, which will focus on improving the wastewater program's repair and replacement decisions regarding a group of 155 individual assets; and
- *Small In-House Capital Construction Projects*, which includes smaller projects performed in-house that have historically been done by outside contractors.

### **Major Capital Projects**

In 2005, staff procured two consultant contracts to develop project cost targets as independent third parties. The targets were developed at the 30-percent to 60-percent design phases.

The *Brightwater Treatment and Conveyance System* project was the first project in the Major Capital Projects productivity pilot program. The target setting for this project was awarded to Currie & Brown to establish a total project cost target based on 30-percent design documents. The independent target developed was \$1.545 billion (2004 dollars). Subsequent annual reports will include information on progress in achieving the target.

Target setting for the *Bellevue Pump Station* project was awarded to the consultant Earth Tech In October 2005. The consultant's target was \$18,983,981 (2005 dollars), and WTD's pre-design report estimate was \$19,033,000.

The independent targets will be adjusted in the future only to reflect inflation. Actual annual inflation will be measured using Engineering News Record's Construction Cost index. This index has previously been recommended by consultants and is seen as an industry standard. Any difference between the three-percent annual inflation rate (based on 20-year historical average) used to escalate the baseline and target budgets and the actual annual inflation rate will be documented to gauge the potential impacts to both the baseline budget and the independent project cost target.

Other activities that took place in 2005 include beginning the work to develop the escalation method adjustment, define "project completion," develop target tracking reports, and identify contract incentive strategies. These tasks are continued in 2006, and will be reported in the 2006 Annual Report.

## Asset Management

The Asset Management Pilot Project's focus is threefold:

- To develop a formal asset management program that makes and documents effective decisions based on cost, risk, and customer service requirements;
- To develop a process to measure the effectiveness of that program against a standard for a well-run, similar wastewater utility, including cost and system reliability; and
- To provide employees with financial awards for performance that exceeds (i.e., performs better than) the standard.

The program is based on the premise that a more formal, documented asset management program that considers risk, cost, and service will yield reduced costs and maintain reliability. This in turn would be reflected in improved performance over the years. The documented results of that improved performance will result in cost savings to the ratepayer and financial gainsharing opportunities to employees.

In 2005, the program developed a list of equipment assets at the South Treatment Plant for which we have good historical operations and maintenance cost information on, and have near-term major capital-funded rehabilitation or replacement decisions.

In addition, future cost performance targets were developed based on *preventive maintenance; minor corrective actions (less than \$5,000); repairs and refurbishments (more than \$5,000); and replacement*. Establishing good measurable targets is a key to the success of adding capital funds to the Productivity Initiative Pilot Program. (Preventive maintenance and minor corrective actions are funded by the operating budget.)

During 2005, a consultant group was retained to validate or establish a cost and condition target to be used to evaluate 2005 and beyond performance. The consultants have completed this work and thus established our best practice maintenance strategy and cost performance targets for 155 identified assets at South Plant.

The target consists of a Useful Life Table that predicts the schedule for repair and replacement of the pilot equipment and also provides an estimate of expected costs. As the equipment comes due for either replacement or repair, staff evaluates carefully the need for those expenditures. If the action is deferred, the agency postpones the expense and therefore borrows less capital money. Eventually the repair or replacement will be necessary, so the "savings" are really a calculation of the cost of debt service postponed, each year. The planned cost of repair or replacement of assets to be considered in 2006 exceeds \$900,000. During 2006 we will be evaluating 101 of the 155 assets that are scheduled to have a major refurbishment or replacement action identified during 2006. We

plan to perform a condition assessment and analysis to determine if these actions are required this year or if they can be deferred with no degradation to our reliability and functional performance necessary to meet all regulatory requirements and other service levels. The intent is to include the results of these analyses in the 2006 productivity program.

### **Small In-House Capital Construction Projects**

In 2004, staff completed and implemented a process for bidding on and delivering small capital construction projects in-house, with any resulting savings being eligible for the Incentive Fund. Such projects would be eligible if they met specific criteria, including the following:

- The total cost of labor, equipment, and supplies is less than \$25,000 for a single trade or craft, or \$70,000 for two or more trades or crafts.
- Wastewater employees must submit a bid to perform the work that is more competitive than a contractor's bid for the same work.
- If the in-house bid is more competitive, then the difference can be eligible for the Incentive Fund. If not, then the difference between the contractor's bid and the actual cost borne by WTD must be paid to the wastewater operating budget from the Incentive Fund.

Council approved this approach in 2004. The process has been in place since late 2004, but in 2005 employees identified few projects that qualified. Although successfully completed, one project did not generate any savings, and one was disqualified when it exceeded the \$70,000 ceiling.

Management will strengthen its efforts to communicate the program to employees during divisionwide meetings with employees in June and July 2006. Employees will have an opportunity to ask questions and raise any concerns about the process for bidding on small in-house capital construction projects in an effort to make sure that opportunities are not going unrealized because the process is not well understood or accepted.

## **Incentive Fund Committee**

### **Purpose and Charter**

The Committee provides recommendations to the Wastewater Treatment Division Director regarding the oversight and management of the Incentive Fund. The 14 Committee members are selected and named by the labor organizations they represent, as follows: Local 925, 4 members; TEA, 3 members; Local 117, 2 members; Council 2 Local 1652R, 1 member; and Local 17, 1 member. In addition, two members represent Management Team and one member represents nonrepresented employees.

The specific role of the Committee is to:

- Develop recommendations on how to document savings and expend funds consistent with the Productivity Initiative Pilot Program;
- Monitor the progress of planned dollar savings and efficiencies;
- Oversee the Annual Report; and
- Communicate with employees.

## 2005 Recommendation

May 11, 2006

TO: Don Theiler, Division Director, Wastewater Treatment Division  
FM: Incentive Fund Committee  
RE: Committee Recommendation on 2005 Productivity Year Payout

The Productivity Incentive Fund Committee is pleased to provide you with its recommendations on the disbursement of funds out of the eligible Productivity under expenditure from 2005. The amount of eligible savings was determined by identifying salary savings, savings resulting from employee actions outside of the business plans, and savings from previous years that were previously approved by the Committee verified to be ongoing. The total comes to \$1,680,203. A list of these savings is attached. As specified by the Productivity Initiative Pilot Plan, 50% of the eligible savings go to our ratepayers and the remaining 50% are available for employee payouts and the Incentive Fund (a combination of the Rainy Day Fund and the Investment Fund).

The Committee recommends that:

- \$50,000 be put into the Rainy Day Fund along with another \$50,000 reallocated from the Investment Fund. This will bring the total of the Rainy Day Fund to approximately \$200,000.
- The remainder of the savings will be paid out to eligible employees, after payroll taxes have been taken out.

The Committee recognized the opportunity to reward employees for the hard work they did in 2005 under difficult circumstances. Committee members also understood and agreed that repaying Rainy Day Funds used to defray the 2004 overexpenditure was prudent and would be seen favorably by many outside the program. The resulting recommendation represents the Committee's attempt to balance those two considerations. The Committee is optimistic about the ability in future years to meet the program targets. In 2007 the Committee will review the 2006 results and determine if additional money should be placed into the Rainy Day Fund in order to bring it closer to its original amount of \$400,000.

If the Committee's recommendations are implemented it would result in approximately \$200,000 in the Rainy Day Fund and approximately \$165,000 in the Investment Fund.

CH: jt

Attachment

### Incentive Fund Financial Status

The balance of the Incentive Fund at the start of 2005 was \$319,750, with \$141,235 of that being in the Rainy Day portion of the fund and \$178,515 in the “flexible” portion intended for investments (referred to as the Investment Fund).

During the year, \$14,942 was earned in interest from the central revolving fund of the County. The interest had been split between the two portions of the Fund on a pro-rated basis. The Incentive Fund Committee decided during the year that all of the interest should be placed in the investment portion of the Fund. In September, the amount in the Rainy Day portion that had been added from interest was transferred to the Investment portion. To cover Employee Recognition functions and other uses of the fund authorized by the Incentive Fund Committee in 2003, 2004, and 2005, \$15,587 was transferred from the Investment portion to the Operating Fund in 2005. The transfer of these funds for 2003 and 2004 was delayed due to miscommunication between WTD and King County Finance. Those problems have been resolved, and WTD does not anticipate any delays in transferring these funds in future years of the Productivity Initiative.

The Incentive Fund Committee decided to allocate \$50,000 of the 2005 employee portion of documented savings into the Rainy Day portion of the Fund, and to transfer another \$50,000 from the Investment portion of the Fund into the Rainy Day portion. This resulted in a year-end balance of \$369,105 in the Incentive Fund, with \$203,148 of that being in the Rainy Day portion and \$165,957 in the Investment portion.

<b>2005 Incentive Fund Financial Status</b>			
	Rainy Day Portion	Investment Portion	Total Incentive Fund
January 1, 2005 Balance	\$ 141,235	\$ 178,515	\$ 319,750
Interest received	4,297	10,646	14,942
Subtotal	145,531	189,161	334,692
Transfer to Investment <sup>1</sup>	(42,383)	42,383	0
Subtotal	103,148	231,544	334,692
Transfer to Operating Fund <sup>2</sup>	0	(15,587)	(15,587)
Subtotal	103,148	215,957	319,105
Deposit from 2005 savings	50,000	0	50,000
Transfer to Rainy Day	50,000	(50,000)	0
December 31, 2005 Balance	203,148	165,957	369,105

<sup>1</sup> Transfer of total interest income in Rainy Day Fund from program inception to Investment Portion of fund.

<sup>2</sup> Covers investments previously approved using this fund (2003-2005)

## **Technical Review Committee**

### **Purpose and Charter**

The overall role of the TRC is to conduct a review and recommend updates and improvements to the WTD Management Team regarding the Productivity Initiative. Committee members work with their labor representatives and fellow employees to keep them informed of the issues that arise and to convey their sponsors' interests.

Responsibilities include:

- Review and comment on operating program results.
- Review and comment on the proposed changes to the C-7 elements.
- Review and recommend changes to the “inside the fence” and “outside the fence” elements.
- Review and recommend any other changes as may be needed based on the operating program review.
- Review, comment, and, where appropriate, recommend strategies to be implemented to achieve future Productivity Initiative targets.
- Review and recommend goals and strategies for the 2007-2010 Business Plan as developed by the business plan consultant.
- Review and, where appropriate, recommend changes to elements of the capital productivity program.
- Share insights and understanding of the Productivity Initiative with labor representatives and co-workers.



## 2005 Activities

The Technical Review Committee received a “crash course” in the Productivity Initiative and then was charged with reviewing the way the program targets are determined, a complicated process known internally as “C-7.” The TRC made a series of recommendations to the WTD Director, most of which were approved. Some of the changes could be implemented immediately (2005), but most of them will apply to the year 2006.

The recommendations from the Committee included:

*Add the actual “Productivity Investments” and “New Work” costs to the target.* “Productivity Investments” are expenses associated with training and other costs associated with increasing productivity. “New Work” is a change in the scope of services beyond what was committed to in the Productivity Pilot Plan and not taken on solely at the discretion of WTD. These costs were estimated in 2000 and then were adjusted each year to reflect the actual cost. In the future, the actual costs will be identified and added to the target. This eliminates a confusing step.

*Treat “Fleet/Telecom Overhead” and Odor Control costs as pass-through costs instead of adjusting the target.* This is also using the actual costs at the end of the year instead of using five-year old estimates and then correcting them.

*Break down the “Other Adjustments” category into more specific areas.* This is a “housekeeping” recommendation to make it clearer what the adjustments are for.

*Make the Cost of Living Adjustments (COLA) for salaries and the Consumer Price Index (CPI) for non-labor expenses in proportion to the actual costs.* Previously, the ratio between labor and non-labor expenses had been set at the beginning of the program and not adjusted to reflect the actual ratio. The resulting change is relatively minor; however it results in more accurate adjustments.

*Use Residential Customer Equivalents (RCEs) for calculating load adjustments for electrical costs at the treatment plants, and actual flow for calculating load adjustments for electrical at offsite facilities.* The C-7 process allows for adjustment to the target for increased electrical consumption due to an increase of wastewater into our system. In other words, if our customer base increases, the target is adjusted upwards accordingly. The Committee studied the correlation between RCEs and flow, and the electrical consumption at the plants and offsite facilities. The Committee concluded that flow is the most accurate indicator of electrical consumption at offsite facilities because the primary activity of the facilities is to pump wastewater, and the more flow, the more electricity is required. At the treatment plants, however, electricity is consumed for a variety of

treatment functions that are not dependent on flow volumes, so flow variation has less of an overall impact. There is a better correlation with the use of RCEs to account for electrical consumption at the plants.

*Review major retirement cash-outs and adjust target annually.* Long-time employees leaving WTD can cash out sizable amounts of unused vacation and benefit time, and retiring members can cash out a portion of their unused sick leave. These costs are unbudgeted, outside WTD's control, and can have a significant impact on the ability to meet target.

*Recalculate the biosolids hauling and application cost to exclude costs that are outside of WTD's control.* There were significant increases in insurance and diesel fuel costs that were not part of WTD's negotiated contract.

The TRC also developed a system for identifying, approving, and tracking "New Work," which has resulted in better tracking of costs and acknowledgement of what is and is not "New Work." The TRC is continuing to review other elements of the target adjustment process, including unit price and load adjustments.

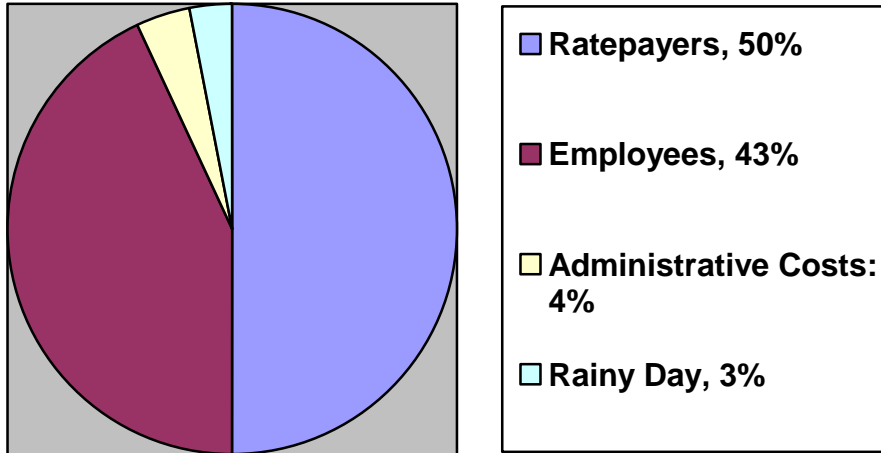


**Left to right, back row:** Tim Aratani, Brent Bills, Bruce Tiffany, Lorraine Patterson, Despina Strong, Nancy Robbins, Cynthia Hickey.

**Front row:** Edie Lackland, Peggy Leonard, Paul Galeno.

**Not pictured:** Terry Fiber, Curtis Steinke.

### 2005 Incentive Fund Results



<b>Ratepayer's share (50%)</b>	<b>\$722,653</b>
<b>Employees' share (50%)</b>	<b>\$722,653</b>
Cash payout	\$617,283
Administrative costs (payroll taxes)	\$55,370
Rainy Day Fund contribution	\$50,000
<b>GRAND TOTAL</b>	<b>\$1,445,306</b>

**2001-2005 Comparison of Productivity Initiative Results**

	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>
Operating budget target	\$62,283,000	\$62,006,000	\$61,467,000	\$61,780,022	\$64,394,842
Adjusted budget target	\$78,030,000	\$65,786,000	\$61,628,000	\$65,104,066	\$67,982,193
Actual expenditures	\$68,898,000	\$60,431,000	\$60,687,000	\$65,697,769	\$65,233,984
Under/over-expenditures	\$9,132,000	\$5,355,000	\$941,889	(\$593,704)	\$2,748,209
Documented savings for Incentive Fund	\$2,762,000	\$1,670,956	\$941,889	0	\$1,445,306
Ratepayer share (50%)	\$1,381,000	\$835,478	\$470,944	(\$296,852)	\$722,653
Employee share (50%)	\$1,381,000	\$835,478	\$470,944	(\$296,852)	\$722,653
Total payout to employees	\$750,685	\$766,884	\$432,178	0	\$617,283
Payout per employee (full share)	\$1,260	\$1,253	\$681	0	\$943
Administrative costs	\$67,336	\$68,594	\$38,765	0	\$55,370
Contribution to Rainy Day Fund	\$400,000	0	0	(\$296,852)	\$100,000
Contribution to Flexible Fund (future investments)	\$162,979	0*	0*	0*	(\$50,000)
	* plus interest earned				

**2001-2005 Total Ratepayer Savings**

	2001	2002	2003	2004	2005	Total
Business Plan savings (excluding transfers to capital)	\$2,560,030	\$4,639,072	\$6,263,407	\$7,659,049*	\$8,797,620	\$29,919,178
Ratepayer share (50%) of Incentive Fund savings after target has been met	\$1,380,000	\$835,478	\$470,944	(\$296,852)	\$722,653	\$3,112,223
<b>Total Ratepayer Savings</b>	<b>\$3,941,030</b>	<b>\$5,474,550</b>	<b>\$6,734,351</b>	<b>\$7,362,197*</b>	<b>\$9,520,273</b>	<b>\$33,032,401</b>

\*Note: This number was incorrectly reported in the 2004 Annual Report and has been corrected here.

**2001-2005 Productivity Incentive Fund Activity**

	2001	2002	2003	2004	2005	Total
Savings to ratepayers (50%)	\$1,380,000	\$835,478	\$470,944	(\$296,852)	\$722,653	\$3,112,223
Savings to employees (50%)	\$1,380,000	\$835,478	\$470,944	(\$296,852)	\$722,653	\$3,112,223
Employee payouts (one full share)	\$1,260	\$1,253	\$681	\$0	\$943	\$4,137
Administrative Costs Associated with Employee Payout	\$67,336	\$68,594	\$38,765	\$0	\$55,370	\$230,095
Investment Fund*	\$162,979	\$6,980	\$4,861	\$3,695	(\$12,558)	\$165,957
Rainy Day Fund*	\$400,000	\$17,089 (interest only)	\$11,930 (interest only)	(\$287,785)	\$ 61,913	\$203,148

\*See chart on page 29 for a more detailed breakdown of the 2005 Incentive Fund Financial Status.

### **Outlook for 2006 and Beyond**

*Business Plan Update:* The wastewater program has launched an effort to update its Productivity Business Plan to improve its ability to achieve its productivity targets. This undertaking will include an in-depth review of the program's operational functions, personnel needs, and financial targets for the years 2006 through 2010. The Business Plan update will provide a revised plan, taking into account progress to date and the lessons learned so far.

When it was launched, the Productivity Initiative Pilot Program applied selected aspects of a private sector approach to management of the wastewater system. Now, the new challenge is to determine whether the wastewater program can operate and maintain the Brightwater Treatment Plant and the Carnation Treatment Plant with the same number of employees it had in the year 2000, before launching the Productivity Initiative.

The Management Team has identified a set of Business Plan Action Items to outline the project and programs needed to achieve our goals. While the Action Items were developed by the Management Team, the final scope and steps outlined in each Action Item reflect employee ideas as to how to best approach our work and what specific tasks may be needed to achieve success. Some of these Action Items have already been completed while others are only at the conceptual stage.

In addition, it has also contracted with a consultant to assist the wastewater program in further development of business and staffing plans. This will include cost saving opportunities for each section which will be incorporated into future operating budgets, intended to enable WTD to meet the 2007-2010 Productivity Initiative objectives. The consultant's final recommendations will be summarized in a report to the Management Team by the end of 2006.

**2006 PI Target Vs Projected Expenses  
 As of 3-31-06**

<b>2006 Projected PI Target (ITF)</b>	<b>Preliminary Section Target</b>	<b>Plus New Work</b>	<b>Plus Anticipated Fenceline Adjustment</b>	<b>Final Adjusted Target</b>	<b>2006 Year-End Projected Expenses</b>	<b>Variance (Over) Under Target</b>
<b>Manager</b>	1,823,049	-	225,031	2,048,080	2,038,204	9,875
<b>Finance &amp; Admin</b>	3,542,981	1,089,113	60,000	4,692,094	4,472,568	219,526
<b>East Operations</b>	23,309,206	468,087	200,000	23,977,293	23,251,171	726,122
<b>West Operations</b>	23,195,459	771,999	--	23,967,458	22,834,080	1,133,750
<b>Planning &amp; Compliance</b>	8,529,325	80,241	398,009	9,007,575	9,469,324	(461,750)
<b>Asset Management</b>	2,167,095	350,000	500,000	3,017,095	2,612,774	404,321
<b>Major CIP</b>	58,846	-	-	58,846	70,837	(11,991)
<b>Environmental Lab</b>	7,086,605	207,916	52,325	7,346,846	6,837,767	509,079
<b>"Inside the Fence"</b>	<b>69,712,566</b>	<b>2,967,356</b>	<b>1,435,365</b>	<b>74,115,287</b>	<b>71,586,725</b>	<b>2,528,562</b>



### **List of Appendices**

Appendix 1: Salary Savings Worksheet

Appendix 2: Mid-Program Assessment Report (February 21, 2006) and  
attachments

Appendix 3: 2005 Incentive Fund Eligibility Guidelines

**Appendix 1: Salary Savings Worksheet**

Section	Org Unit	Sequence Number	Position Title	Name of the Last Incumbent

Total Budgeted for salaries and Benefits	Budget per week	First date vacant in 2005	Last date vacant in 2005	Weeks vacant in 2005	Salary Savings

Less: Mitigating Costs	
Estimated Salary Savings	

Backfill Costs	
Overtime to Backfill	
Term-Limited Temporaries	
True Temps	
Salary Differential (for out-of-class/acting)	
Interns, Contract Labor, Other	
<b>Total Backfill Costs</b>	

<b>TOTAL SAVINGS</b>	
----------------------	--

Determining the Share of Savings Recommended for the Incentive Fund:

- What were the primary duties and/or the body of work of the position in 2005?
- Was it part of a group of similar positions sharing the same workload, or did it have its own distinct responsibilities?
- Was the volume of incoming and outgoing work quantifiable? If so, did it change during the period of the vacancy or remain the same?
- How was the body of work performed? Were all the duties of the position performed? If not, what share of them were?
- Was any action taken with regard to this position in the 2006 budget?
- Are there any other factors that should be taken into consideration?
- Based on the above, what share of the savings should be attributed to Productivity?

Savings Recommended for Productivity: \_\_\_\_\_

## Appendix 2: Mid-Program Assessment Report

Transmittal of 2004 Productivity Results

February 21, 2006

The Honorable Ron Sims  
King County Executive  
701 Fifth Ave., Suite 3210  
Seattle, WA 98104

Dear Executive Sims:

On behalf of King County's Wastewater Treatment Program, I am transmitting the enclosed documents on the Productivity Initiative Pilot Program to you for several reasons.

The first is to officially submit the 2004 Productivity Initiative Annual Report, as required in the ordinance that established the Productivity Initiative Pilot Program in 2000. The annual report describes in detail the financial results of 2004, the fourth year of the Productivity Initiative, and compares 2004's results with results from the three previous years.

The second purpose is to provide information about steps the program undertook in 2005 to help ensure that the productivity target in 2005 was met; actions taken in 2005 to bring the capital program directly into the Productivity Initiative; and our plans to meet the 2006 target and beyond. Year-end data from 2005 is being analyzed now, and preliminary results indicate that the program met its 2005 target.

This year (2006) marks the mid-point of the Productivity Initiative Pilot Program's ten-year span. We have learned a great deal since the Pilot Program was developed, and are requesting an opportunity to seek modifications to some aspects of the program. During the last several months, representatives of the bargaining units that represent WTD employees have worked with management and our finance staff to examine the original assumptions and adjustment methodologies that were established when the program was developed. Based on that effort, I now have recommendations for modifying the program for discussion with you, county Finance staff, and others.

As you know, the wastewater program did not meet its productivity target in 2004, although we did save our ratepayers more than \$9 million in planned savings. This result was not unexpected, as our projections in 2000 indicated that

Wastewater Treatment Division  
Productivity Initiative Annual Report  
October 2006

---

2004 and 2005 would contain the greatest challenges for meeting our targeted savings. This report details the steps we have taken to help ensure that the program is aligned correctly to meet our targets in 2005 and 2006, as well as our plans to meet the targets in 2007 through 2010.

Also included is a description of the progress we made in 2005 to bring certain aspects of the wastewater capital program directly into the Productivity Initiative.

At your request I would be happy to discuss either our 2004 results or our plans to meet future productivity targets with you, members of your staff, or the County Council. I continue to appreciate your support of this program and look forward to working with you to strengthen what we have achieved so far.

Sincerely,



Don Theiler  
Division Director

DT:sl

Enclosures: 2004 Productivity Initiative Annual Report

cc: Bob Cowan, Director, County Budget Office  
Pam Bissonnette, Director, DNRP  
Lorraine Patterson, Assistant Director, WTD

## **Corrective Actions Taken Based on Review and Analysis of 2004 Results**

### **C-7 Adjustments**

Annual adjustments to the Productivity target are made based on circumstances outside the control of the wastewater program. "C-7" refers to the C-7 Attachment to the Productivity Initiative Pilot Plan that details the guidance for making adjustments to the annual target.

In 2004 and 2005, WTD management and Finance staff reviewed the C-7 adjustments and identified problems with the adjustment methodology. Some of the problems were due to changed circumstances since the C-7 assumptions were made in 2000. Others were long-standing problems with the adjustment formulas in C-7 that became apparent only after applying C-7 over the first four years of the Productivity Initiative.

The following are the major adjustments:

### **Class Comp Project Adjustments**

In 2005, WTD Human Resources and Finance staff did a thorough analysis of how countywide Class Comp Project adjustments were accounted for in the calculations for achieving the productivity target in the years 2001, 2002, 2003, and 2004. Class Comp Project settlements differed from bargaining unit to bargaining unit, and adjustments were not administered simultaneously for all bargaining units. An analysis identified the following adjustments that had not been accounted for in previous years:

*Local 117:* The countywide Class Comp Project was underbudgeted in the 2000 baseline for salary and wages for Local 117 employees. The baseline number used for Local 117 employees did not include prior-year placement on the King County Squared Salary Table or prior year cost-of-living adjustments. The costs were not properly accounted for due primarily to timing issues with the Local 117 contract. An adjustment was made in the 2004 productivity target calculations.

*Local 925:* Although not directly resulting from the Class Comp Project, the 2000 salary baseline also did not properly adjust for placement of Local 925 employees on the King County Squared Salary Table. An adjustment was made in the 2004 productivity target calculations.

*Local 1652-R, Local 17, and nonrepresented employees:* Class Comp Project adjustments for these employees were also not part of the 2000 baseline and an adjustment was made in the 2004 productivity target calculations.

Class Comp Project adjustments for 2004 totaled \$793,643. Class Comp Project adjustments in 2005 are expected to be \$787,304.

### **New Work**

Properly identifying new work is critical to ensuring productivity targets are adjusted to reflect increases in operating expenditures as a result of the new work.

The Brightwater Treatment Plant is expected to open in 2010, and new staff to operate the facility must be hired and trained immediately. Training new operators is a multi-year process, ranging between four and six years in duration. The 2006 target includes hiring six operators (FTEs), at a total cost of about \$450,000, to begin that multi-year process. The Technical Review Committee recommends that this be implemented and the costs of adding these operators be added to the Productivity target.

Other new facilities that have come online since the baseline was established in 2000 include the Denny Way CSO facility, the MLK/Henderson CSO facility, and odor control facilities.

### **Biosolids Hauling and Application Costs**

*Fuel:* From 2000 to August 2004, the cost of diesel fuel for biosolids truck hauling was embedded in the contractor's variable rate, along with driver salaries, benefits, maintenance, and so on. In 2000, the market price for diesel fuel was \$1.40 per gallon. Prices since 2000 have far exceeded the three-percent inflation assumption, rising to as high as \$3.17. The current fuel price is about \$2.76.

As fuel prices increased, the contractor asked for dramatically increased rates to cover future increases in fuel prices. To control those rate increases, WTD began paying directly and separately for fuel in August 2004.

The 2004 and 2005 budget did not include a line item for fuel adjustment because the budgets were developed before the negotiated changes to the hauling contract. The increased fuel cost for 2005 (above inflation) is expected to be \$268,800. The Technical Review Committee recommends that this be implemented.

*Insurance:* In 1999-2000, WTD purchased 27 trucks to haul biosolids. The haul contractor purchased liability insurance, and rates for that insurance rose sharply as a result of post-9/11 insurance changes. The contractor asked to dramatically increase rates to cover unknown future rate increases. To control those costs, WTD reimbursed the contractor directly for 2004 insurance costs. The Technical Review Committee recommends

that 2005 increased insurance costs of \$129,209 be adjusted in the 2005 productivity target.

### **Monthly Tracking**

WTD transmitted a plan on how it will meet 2005 and 2006 targets to the county Budget Office in October 2005. The division will now submit monthly updates to ensure WTD has a current plan for meeting short-term productivity targets.

### **Long-Range Target Planning**

WTD is currently working on a business plan that will demonstrate how productivity targets will be met from 2007 to 2010. WTD expects the business plan to be completed in 2006.

### **Recommendations for Modifying C-7 Adjustments for 2006 to 2010**

In June 2005, the bargaining units that represent WTD employees designated representatives to a Technical Review Committee (TRC) for the Productivity Initiative, along with representatives of management and non-represented employees. The TRC set its first priority as examining the original assumptions and adjustment methodologies that were established when the productivity program was developed to see whether any modifications were warranted.

The TRC presented a series of recommendations for modifying the C-7 adjustments to the Division Director in December 2005. The following recommendations received approval from the Division Director for presentation to the Executive and county Budget Office for final approval and implementation. Other recommendations remain under discussion while further analysis is sought.

#### **Productivity investment costs, operating costs for new facilities (new work) added since 2000, and fleet and telecom “overhead” charges**

These items were originally identified as separate line items in the makeup of the unadjusted target, from which adjustments based on actuals were made in the C-7 worksheet (“plus or minus”) as to whether the original amount was met, exceeded, or fell short of the original. The Technical Review Committee recommends that these line items be eliminated from the original target amount, and instead, adjustments be made only for actual tracked amounts in these categories.

#### **Adjustment for CPI and COLA**

Adjustments for actual operations budget increases due to CPI (non-labor) and COLA (labor) have been based on a fixed split between CPI and COLA of 47 percent and 53 percent, respectively. The Technical Review Committee recommends that the CIP and COLA adjustments be based on the actual percentage split each year. For 2005 the estimated split would

be 56 percent for CPI and 44 percent for COLA. This will more closely reflect the actual increased costs accruing to the program.

### **Electrical usage**

Adjustments for electricity have been based on Residential Customer Equivalents (RCEs) for both the treatment plants and off-site facilities. The Technical Review Committee recommends that electrical usage by off-site facilities be based on actual flows, not RCEs. This will more closely reflect the changes in costs that are outside the control of the program.

### **Odor control**

The original line item for adjustment to the target was set up for just the treatment plants, with \$125,000 identified for South Plant and \$315,000 for West Point. An adjustment was then made to the target for anything over or under that amount. In 2004, a new odor control policy initiated by the Council provided for an increase in prechlorination (\$235,295) and odor control program activities (\$397,700). These set amounts were used to increase the 2004 target, as good tracking practices were not in place to accurately account for costs. The Technical Review Committee recommends that, for 2005 and future years, the actual amount spent on these endeavors be used as the adjustment to the target, creating an actual pass-through of costs until a firm fix can be made on the actual cost of these policy changes. Once the cost is established, the cost will be incorporated into the future targets and will not be tracked as “new work.”

### **“Fenceline” adjustments**

A category was established for “fenceline” adjustments (adjustments for costs not considered within the program’s control) in the original C-7 adjustment document. The Technical Review Committee recommends that the category be divided into more specific line items, including “Annual Pre-approved Adjustments,” “New Work,” and “Anticipated Adjustments” (one-time amounts for unusual circumstances).

## **Status of Productivity Pilot Projects for the WTD Capital Program**

In 2005, WTD’s Asset Management Section and Major Capital Improvement Project (MCIP) Section staff finalized plans for pilot projects to initiate the Productivity Initiative on capital projects. Specific actions included the following.

### **Asset Management Pilot Project.**

Asset Management is a new method of managing infrastructure assets using an information-based, risk-assessment approach. This method has proven valuable in places such as Australia, New Zealand, and England, and is gaining acceptance in the U.S.



The wastewater program's Asset Management Program will document all the costs and risks of managing assets and incorporate best management practices. Division staff will conduct a business case evaluation on all capital projects and expand the use of reliability-centered maintenance practices. By adopting these principles, the program will strive to obtain maximum performance at the least cost. The useful life of equipment can be extended and predicted more accurately, thus increasing the time between installation and costly rebuilds and replacement.

In order to extend the capital portion of the Asset Management Program to the formal productivity effort, a pilot program has been established. Specifically, the Asset Management pilot program seeks to evaluate the cost savings from implementing the asset management principles described above with a sample of 156 assets at the South Treatment Plant in Renton.

Staff believes the program will be able to save create efficiencies as a result of the Asset Management Pilot Program, and by applying the provisions of the Productivity Initiative Pilot Program already in place on the operating side. Employees will have a real and personal financial incentive to begin using these methods to make good decisions that extend the useful life of equipment with a known and acceptable risk.

Determining how to measure success was a challenge. We hired a consultant to determine what our capital budget should be for the 156 assets in the pilot. The consultant considered comparing our cost performance to industry standards, but the consultant found that we were already performing at a lower cost. So it was decided to use our previous performance over the last seven years as the benchmark.

We expect the Asset Management Pilot Program to extend the useful life of equipment, thus reducing capital costs. Since all capital dollars are borrowed dollars, they must be paid back with interest. Dollars not spent mean dollars not borrowed, so bond payments need not be made. The savings to WTD ratepayers is the interest portion of bond payments. The expenditure will eventually have to be made, so savings on the expenditure itself is just postponed; but the interest portion of a bond payment is real money not required in a given year if the money doesn't need to be borrowed. These savings will be reflected in the overall productivity savings.

As in the productivity operating program, savings that can be documented and verified are eligible for inclusion in the Incentive Fund, which is split 50/50 between ratepayers and employees.

**Independent Target Setting on Major Capital Projects.**

Staff procured two consultant contracts to develop project cost targets as independent third parties. The targets are developed at either the 30-percent or 60-percent design phases.

- The Brightwater Treatment and Conveyance System project was the first project in the MCIP productivity pilot program. The target setting for this project was awarded to Currie & Brown to establish a total project cost target based on 30-percent design documents. The independent target developed was \$1.545 billion (2005 dollars).

The independent target will be adjusted in the future only to reflect inflation. Actual annual inflation will be measured using Engineering News Record's Construction Cost Index. This index has previously been recommended by consultants and is seen as an industry standard. Any differences between the assumed three-percent annual inflation and the actual annual inflation will be documented to gauge potential impacts to both the baseline budget and the independent project cost target.

- Target setting for the Bellevue Pump Station project was awarded to the consultant, Earth Tech, at the 30-percent design phase to develop an independent project cost target. A preliminary target number has been received and staff comments have been transmitted to the consultant for further development work.
- The Carnation Treatment Plant project target setting process started in November 2005. The consultant, Earth Tech, is now developing the independent project cost target based on 60-percent documents.

### **Plans for Meeting 2005 and 2006 Productivity Targets**

Staff projects that, by accounting for new work items and implementing anticipated C-7 adjustments, the program will meet its 2005 and 2006 targets, as demonstrated in the attached spreadsheets. Furthermore, the one-time measures implemented in 2005 (described on the previous pages) will not be required to meet the 2006 target.

The program will work to maintain these efficiencies. Future efficiencies in the operating budget will continued to be pursued, and any additional efficiencies will be shared with ratepayers and employees, in keeping with the Productivity Initiative's provisions.

WTD Finance staff has implemented a monthly reporting and tracking system to ensure that a current plan exists so that annual operating targets will be met. These reports are being made available to the county Budget Office on a monthly basis.

The program has started developing a business plan that will highlight how targets from 2007 to 2010 will be met. A consultant with wastewater industry experience will be brought on board in early 2006 to lead this effort.

**2005 PI Target Vs Projected Expenses**

<b>2005 Projected PI Target (ITF)</b>	<b>Section Allocation Adjusted Target</b>	<b>New Work</b>	<b>Anticipated C-7 Adjustment</b>	<b>Adjusted Target</b>	<b>Year-End Projected Expenses</b>	<b>(Over) Under Target</b>
<b>Manager</b>	2,595,819	--	--	2,595,819	2,233,259	362,560
<b>Finance &amp; Admin</b>	4,664,852	46,709	14,611	4,723,172	4,201,071	516,150
<b>East Operations</b>	20,003,692	155,270	(25,927)	20,133,035	20,139,926	(6,892)
<b>West Operations</b>	21,297,643	226,749	(24,142)	21,500,249	20,793,616	706,633
<b>Planning &amp; Compliance</b>	8,108,492	46,000	398,009	8,552,501	8,398,303	154,198
<b>Asset Management</b>	2,343,122	--	47,341	2,390,463	1,972,744	417,718
<b>Major CIP</b>	80,294	--	9,696	89,990	56,963	33,027
<b>Environmental Lab</b>	6,519,872	68,759	117,689	6,706,320	6,444,305	262,015
<b>Central Charges</b>						
<b>"Inside the Fence" Operating Target</b>	<b>65,613,785</b>	<b>543,487</b>	<b>537,276</b>	<b>66,694,549</b>	<b>64,240,186</b>	<b>2,454,363</b>

**2006 PI Target Vs Projected Expenses**

<b>2006 Projected PI Target (ITF)</b>	<b>Section Allocation Adjusted Target</b>	<b>New Work</b>	<b>Anticipated C-7 Adjustment</b>	<b>Adjusted Target</b>	<b>Year-End Projected Expenses</b>	<b>(Over) Under Target</b>
<b>Manager</b>	1,912,755	-	-	1,912,755	1,962,681	(49,925)
<b>Finance &amp; Admin</b>	4,153,112	167,076	-	4,320,188	4,205,678	114,510
<b>East Operations</b>	22,845,577	278,500		23,124,077	23,111,476	12,602
<b>West Operations</b>	22,734,589	771,999		23,506,588	23,698,251	(189,663)
<b>Planning &amp; Compliance</b>	8,360,983	80,241	398,009	8,839,233	8,790,474	48,759
<b>Asset Management</b>	2,124,319	545,000	-	2,669,319	2,444,835	224,485
<b>Major CIP</b>	56,353	-	-	56,353	60,274	(3,921)
<b>Environmental Lab</b>	7,203,437	252,829	8,815	7,465,081	6,909,887	555,393
<b>Central Charges</b>						
<b>"Inside the Fence" Operating Target</b>	<b>69,391,127</b>	<b>2,095,645</b>	<b>406,824</b>	<b>71,893,596</b>	<b>71,181,357</b>	<b>712,239</b>

### **Appendix 3: 2005 Incentive Fund Eligibility Guidelines**

The Productivity Incentive Fund is an account created to track the additional savings that result from actual costs lower than the annual adjusted operating target that are a result of actions taken by employees to incur savings. King County Wastewater Treatment Division shall retain 50 percent of those additional savings and 50 percent shall be assigned to a Productivity Incentive Fund. A minimum of 25 percent of the funds annually assigned to the Productivity Incentive Fund shall be designated for distribution to all eligible employees as defined below. If the Wastewater Treatment program does not meet the annual adjusted operating target, then the difference shall be made up from the Productivity Incentive Fund.

#### **Performance Guarantees**

*Permit Effluent Standards.* The Wastewater Program (WWP) will pay for any fines related to NPDES permit violations at these plants, as evidenced by issuance of a Notice of Penalty by the Washington Department of Ecology (Ecology) from the operating budget. In addition, any Productivity Incentive Fund contribution established by this Pilot Program shall be reduced by one-twelfth for each month in any given year in which a violation occurred as evidenced by issuance of a Notice of Penalty or Administrative Order by Ecology due to an effluent exceedance. This would not apply if the violation was a direct result of an uncontrollable circumstance.

*Performance Nondegradation Guarantee.* The WWP further guarantees to achieve specific effluent limits for the South Treatment and West Point Treatment Plants. For any year that one of these limits is exceeded, the WWP will forfeit 33 percent from any contribution to the Productivity Incentive Fund. These specific performance parameters may be reviewed annually as information is collected over time.

Annual Average Suspended Solids: 24mg/l

Annual Average BOD: 24 mg/l

Annual Geometric Mean Fecal Coliform: 175 colonies/100 mls

*Safety.* The WWP guarantees that maintaining the safety of WWP employees will remain a primary concern in how it conducts its business. The WWP will not exceed an average of 22 time-loss accidents (an average based on the last five years, from 1996 to 2000) per rolling three-year period, based on the current number of employees and facilities in service. For any year that this rolling three-year average limit is exceeded, the WWP will forfeit five percent from any contribution to the Productivity Incentive Fund.

#### **Administrative Guidelines/Payout Eligibility Criteria**

##### *Definitions*

**Savings Year** - The calendar year in which an annual Incentive Fund is calculated.

**Payout Year** - The year following the savings year when a payout can be made from the Incentive Fund.

**Payout** - is the action of distributing money from the Incentive Fund to eligible employees.

#### *Eligible Employees*

“Eligible employees” includes any regular full-time, regular part-time, term-limited temporary, part-time (temporary) employee, or Administrative Intern of the Wastewater Treatment Division or Wastewater Program whose position is within the boundaries of the Wastewater Program, provided that:

- The employee actively worked during the savings year.
- The employee must have worked at least 520 consecutive hours for the WTP/ WTD to establish initial eligibility, and worked without a break in service (terminated) after meeting the 520-hour threshold to maintain their eligibility.
- The employee was not discharged at any time during the savings year for cause or performance.
- An employee that leaves WTD after the savings year and before the payout is still eligible for the payout.
- The Division Director and Assistant Division Director are not eligible for payout from the Incentive Fund.
- GIS analysts working for WTD must meet all of the following criteria before being eligible for the Incentive Fund:
  - They must be a member of the TEA bargaining unit in WTD;
  - Ninety percent or more of their work must be exclusive to the WTD;
  - Their assigned work area must be at WTD facilities and/or WTD designated staff offices; and
  - They are supervised by a WTD employee.

#### *Individual Prorated Share Calculation*

An eligible employee’s share of the Incentive Fund shall be determined by the number of hours that an employee was compensated in the savings year after working the initial 520 hours required to establish eligibility.

- Compensated hours shall be prorated to the percentage of full-time, defined as 2,080 hours.
- No employee shall receive more than 100% or “one” share.
- For the purposes of calculating “compensated hours during the savings year,” the year shall be defined as the hours/days corresponding to the biweekly periods paid during the savings year, also known as the “payroll year.” (This may include hours worked/compensated for prior years but paid in the savings year, and exclude hours compensated in the savings year, paid in the following year).
- Full time employees who have no unpaid leave (except military leave) in the savings year, shall be considered for a full share if they have at least 1,976 compensated hours (95% of 2,080 hours.)

### *Compensated Hours*

Compensated hours shall include the following hours worked for the Wastewater Program:

- Regular hours
- Holiday pay
- Vacation pay
- Sick leave pay
- Comp time used
- Paid administrative leave
- Executive leave used
- Benefit time
- Paid military leave
- Jury duty
- Bereavement leave
- Unpaid military leave - compensated if the employee was actively working in the savings year and meets other eligibility criteria.
- Workers compensation

Any other time reporting code that may be developed and considered eligible for inclusion in the calculation of compensated hours by the Productivity Incentive Fund Oversight Committee.

### *Not Included in Compensated Hours*

- First 520 hours of compensated time for a newly hired employee
- Overtime pay
- Unpaid leave
- Benefit time buy-downs
- Benefit time cash-outs
- Comp time buy-downs
- Vacation buy-downs
- Vacation cash-outs
- Sick leave payoffs
- Unpaid leave due to personal medical condition
- Unpaid leave due to family medical condition

Any other time reporting code that may be developed and considered ineligible for inclusion in the calculation of compensated hours by the Productivity Incentive Fund Oversight Committee.

### *Distribution Amount Calculation*

Upon determination of each eligible employee's prorated share of the portion of the Incentive Fund identified for employee payout, the dollars in the fund will be divided by the total number of shares payable to employees to determine the share amount. The distribution to each employee will then be based on his/her prorated amount of the share amount.

*Example: Three employees worked during the savings payout year...*



Wastewater Treatment Division  
Productivity Initiative Annual Report  
October 2006

---

*A has a total of 2,080 compensated hours for a prorated share of 100% or 1.  
B has a total of 1,040 compensated hours for a prorated share of 50% or .5.  
C has a total of 520 compensated hours for a prorated share of 25% or .25.*

*Total shares to disburse = 1.75  
Total dollars in the fund = \$500  
500 [divided by] 1.75 = \$285.72 = share amount*

<i>A receives 100% of share or</i>	<i>\$285.71</i>
<i>B receives 50% of share or</i>	<i>\$142.86</i>
<i>C receives 25% of share or</i>	<i>\$71.43</i>

*Total disbursed: \$500.00*

---

Note: The full text of the Productivity Incentive Fund Oversight Committee's Administrative Guidelines is available at  
<http://dnr-web.metrokc.gov/wtd/Manager/Productivity/teams.htm>

## Acknowledgements

### 2005-2006 Incentive Fund Committee

Members:

Brian Duncan, TEA  
Kat Hallberg, Local 925  
Dick Finger (replaced by Jim Pitts), Management Team  
Jack Irby (replaced by Lorraine Patterson), Management Team  
Edie Lackland, Local 117  
Jim Laremore, Local 925  
Leon Maday, TEA  
Richard Meeks, Local 17 (joined Committee in 2006)  
Peggy Rice, WSCCCE Council 2 Local 1652R  
Jean Robb, Local 117  
Curtis Steinke, Local 925  
Laurie Slaughter, Local 925 (permanent replacement to be determined)  
Despina Strong (replaced by Diane McElhany), Nonreps At-Large

Staffing:

Tim Aratani, Finance Section  
Brent Bills, Finance Section  
Cynthia Hickey, Facilitator/Director's Office  
Susan Lowe, Communications

### 2005-2006 Management Team

Members:

Tim Aratani, Finance & Administration Manager  
Greg Bush, Planning and Compliance Section Manager  
Dick Finger, West Section Manager (2005)  
Mike Fischer, East Section Manager  
Jack Irby, Asset Management Section Manager  
Gail Ohashi, Human Resources Manager  
Lorraine Patterson, Assistant Division Director  
Jim Pitts, West Section Manager (2006)  
Don Theiler, Division Director  
Christie True, Major CIP Section Manager

Staffing:

Robert Tovar, Director's Office

### 2005-2006 Technical Review Committee

Members:

Tim Aratani, Management Team  
Terry Fiber, Local 925  
Paul Galeno, TEA  
Edie Lackland, Local 117  
Peggy Leonard, TEA

Lorraine Patterson, Management Team  
Nancy Robbins, Local 117  
Curtis Steinke, Local 925  
Despina Strong, Nonreps At-Large  
Bruce Tiffany, WSCCCE Council 2 Local 1652R

Staffing:

Brent Bills, Finance Section  
Cynthia Hickey, Facilitator/Director's Office  
Susan Lowe, Communications  
Jalaine Madura, Director's Office  
Robert Tovar, Director's Office

**Balanced Scorecard**

Elsie Hulsizer, BSC Project Lead

**2005 Budget Reporting, Analysis, and Payroll Preparation**

Frank Alexander  
Tim Aratani  
Dennis Barnes  
Brent Bills  
Byron Burris  
Jana Buss  
Nick Carnevali  
Diane Fjarlie  
Cynthia Hickey  
Joanne Kimura  
Edie Lackland  
Jalaine Madura  
Elizabeth Milestone  
Donna Nord  
Kristin Painter  
Nancy Robbins  
Steve Tull  
Kevin Yokoyama